

Output Per Employee In Telephone Industry Falls as Costs Rise

'More-Pay-for-Less-Work'
Evidence Held Shown
In Labor Bureau Report

By David Lawrence

Evidence keeps accumulating in industry after industry that the more-pay-for-less-work doctrine is not only contributing to inflation but it is contributing to a state of affairs which, unless checked somehow, must inevitably bring an economic maladjustment of serious proportions to America.

The latest disclosure is from the Bureau of Labor Statistics of the United States Department of Labor. It reveals the facts on output per employee in the telephone industry. Almost everybody has been wondering why there have been delays in long-distance calls and why telephone service has not been as good as it was in prewar days. The telephone companies say that the calls are more numerous than ever and that shortages of materials and bottlenecks in production have delayed the manufacture of much needed equipment. Little has been said publicly about the slowdowns in service and the general attitude of many employees.

Now come the official figures to show that, although during the war years output per employee was 10.5 per cent higher than in 1939, the output per employee now has slipped back to the 1939 level while the payroll costs have gone up 255 per cent of 1939.

Unit Costs Up 146%.

Figured on a unit-cost basis, the Bureau of Labor Statistics says that unit costs are now 146 per cent of what they were in 1939. This is the highest point they have reached since 1935, when figures were first collected.

The explanation for the changes in output and manhours of work as given by the bureau is that these "show the joint effect of a large number of separate though interrelated influences such as technical improvements, the rate of operations, the relative contribution to service of carriers at different levels of efficiency, as well as the decline in the effort of the work force, the efficiency of management, and the state of labor relations."

There is no doubt that the "effort of the work force" and the "state of labor relations" have contributed to no small extent to the decline in output per employee, but it is only fair to say that the decline has not been as large in comparison with the war years on the part of telephone workers as it has been in such industries as building and construction.

The term "productivity" as defined by the bureau with respect to the telephone industry is in terms of "message units per manhour of work per employee." While productivity per manhour declined between 1940 and 1943, it increased from 1943 to 1945 and then started to decline to 1939 levels. The bureau suggests that this may have been due "to a marked increase in employment in certain occupational groups, particularly construction, installation and maintenance which are not directly engaged in switchboard operations."

Rise in Over-All Costs.

But the over-all costs for the telephone industry have risen substantially during the same period. The public, on the other hand, has been paying lower rates for the calls themselves while the Government has come along with a high tax on messages so that telephone bills are necessarily higher to the consumer. The rates to the companies on service have by no means been raised to correspond to the higher unit costs.

The Bureau of Labor Statistics has also given out its surveys of the telephone business, where output per employee has declined from 1943, but is still 10.6 per cent higher than in 1939. The unit costs, on the other hand, are now 64.5 per cent higher than they were in 1939.

There is a tendency in official Washington to regard increases in labor costs in a particular industry without relation to the higher costs of materials or supplies bought from other industries where labor costs have risen. Thus Secretary of Labor Schwelb has in his testimony before Congress this week compares the price increases in coal and steel, respectively, with the increased wage costs in those industries, forgetting that the price of an article is made up of two major factors—the direct costs of manufacture of one's own product and the direct costs of materials or machinery or other items in the cost budget of each business or industry, reflecting the other fellow's costs of labor. These have been less conspicuous, but just as inflationary.

Thus the telephone and telegraph companies have to pay, in addition to their own labor costs, a higher price for the things they buy in the way of equipment.

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This Changing World

U. S. Officials Fear Palestine Outbreaks May Stir Serious Middle East Trouble

By Constantine Brown

It is not yet clear to high Washington officials whether the present clashes between Arabs and Jews in Palestine are merely the inevitable birth pangs of the new state, or whether they mean that we will be confronted with serious trouble in the already explosive Middle East.

The new Jewish state was created principally through the efforts of the United States in the U. N., enthusiastically assisted by the U. S. S. R. It seems strange that the Russian delegation, which blocked every effort of the U. N. to solve other grievous problems—such as Greece—should join America so wholeheartedly in support of Palestine partition.

Many highly placed officials look with suspicion on this one and only case of Soviet co-operation with the United States in the United Nations. It is doubtful, they say, that Russia would lend a helping hand to any Western nation in order to bring peace into a strategic area of the world.

Outbreaks Directed at U. S.

The present outbreaks of the Arabs, not only in Palestine but in adjacent areas, are directed primarily against this country. The problem which confronted the administration, before it decided to back division of Palestine with the full power of its prestige, was not easy to solve.

On the one hand the American Government had pledged itself to support creation of a Jewish state. This pledge was given to world Jewry in 1944, when both the Democratic and Republican parties included a national home for the Jews in their platforms. Hence, morally, both American political parties were honor bound to live up to their promises.

At the time when these promises were made it was believed by top ranking political leaders in this country that after the defeat of the Axis the wartime collaboration between the nations which were united in a common fight would be continued after the struggle was over. No strategic considerations entered the minds of political men, who advocated the creation of an independent Jewish state.

Gen. Marshall's objections to an early settlement of the Palestine problem—objections which he strongly presented to the members

of the House of Representatives—were based purely on the consideration that in the event of trouble between Jews and Arabs we might have to send several divisions to keep order, and they could not be spared. Gen. Marshall at the time was Army chief of staff.

The situation today is somewhat different and those who are responsible for our national defense admit reluctantly that unless the Soviet government changes its tune and shows some degree of co-operation, we must set ourselves to hold strategic points throughout the world.

Saudi Arabia, Iraq and, to a lesser extent, Syria are considered important strategic defense points for the United States. In the event of a clash with Russia, the oil and potential air bases in those areas are about as vital to us as Alaska or some of the Western European countries.

Skillful Red Move Seen.

Moscow's eagerness to join the United States in the plan to create a Jewish state is considered by many military observers as a skillful operation to bring about a permanent break between the United States and the Arab states bordering Palestine. Russia needs neither strategic air bases nor oil from the Arab countries. If she alienated the Arabs from the United States, she can rejoice in a permanent strategic victory.

It is difficult to ascertain at the moment whether the hostility displayed against the Jews in the Arab states is due to temporary anger or whether it is likely to grow into a permanent hostility. It is also difficult for our political and military leaders to forecast whether the clashes, which have occurred ever since the U. N. Assembly approved partition, are mere outbursts or whether they are the prelude to a hard fight.

Our military planners are asking whether, if the Arabs show the ability to overwhelm the Jews, the United States will be compelled under its U. N. obligations to send a force to keep order in Palestine. Such a force would be compelled to fight the Arabs actively and the consequences of such an armed clash would put an end to all expectation of having reliable allies in the strategic Middle East.

The possibility of economic collaboration between the new Jewish state and its Arab neighbors seems to be the only possible answer to a serious situation. But whether the Arabs whose economic needs are being met, will be willing to work on such a basis, and whether the Jews, who are basking in their victory, will have enough statesmanship to seek such collaboration, are moot questions which no one in Washington is able to answer.

G. O. P. Oracle Speaks

Taft Sets Adjournment for December 19; Outlook for Living Cost Action Is Bleak

By Doris Fleeson

Senator Taft has passed the word to his colleagues that the special session will adjourn December 19 and interested Senators now feel that the present outlook for cost-of-living legislation is bleak.

"The oracle has spoken, thus saith the oracle," commented one dryly. He was not too critical. Hearings on the 10-point program with which President Truman stunned the special session have been scattered through a variety of committees. These committees are scheduling witnesses far into next week and they have also developed widely conflicting testimony including differences of opinion within the administration.

This is true even of what were thought to be the less controversial features: Export controls, restriction of bank and consumer credit, regulation of commodity exchanges. The really tough wage control and rationing—died on the vine almost as Mr. Truman was planting them.

Democrats are Cautious.

Amid these indications that the Republicans might postpone the whole question until the regular session next month, Democratic leaders were meeting informally to decide what they could or ought to do in the matter. Much as they might like to capitalize on Republican delay, their own side of the aisle is far from united on any such program as Mr. Truman offered, so they must move cautiously.

They will meet again later this week and suggest that some de-

cision may be forthcoming by next Monday—which is only 10 legislative days from the Taft adjournment.

Their problem is that after all it is their President's program and he has let it be known that he will stand by it in the State of the Union message with which he will open the regular session. They can hardly act as if it were solely and entirely a Republican responsibility.

Marshall Plan Promise.

They have been quick to promise that they will not let the Marshall plan get caught in any such atmosphere of drift, balking and buck passing. State department drafters are already at work on a legislative framework for that critical measure which is designed to answer once and for all the charge that no plan exists but only a set of general proposals.

About what will happen then no difference of opinion exists in either party. All hands predict that the famous plan on which Europe has been led to depend will be subject to microscopic examination and to endless revision and development. Senator Vandenberg has candidly warned its proponents that he cannot promise anything about the final form in which it will emerge.

And over all the debate will loom rising prices and the 1948 election.

Covenant Defense Fund Plea Weighed by Group

An appeal to help meet the costs of defending the two District covenant cases soon to be brought before the Supreme Court was referred last night to the Executive Committee of the Metropolitan View Citizens' Association, so the committee can give every member "the opportunity to help."

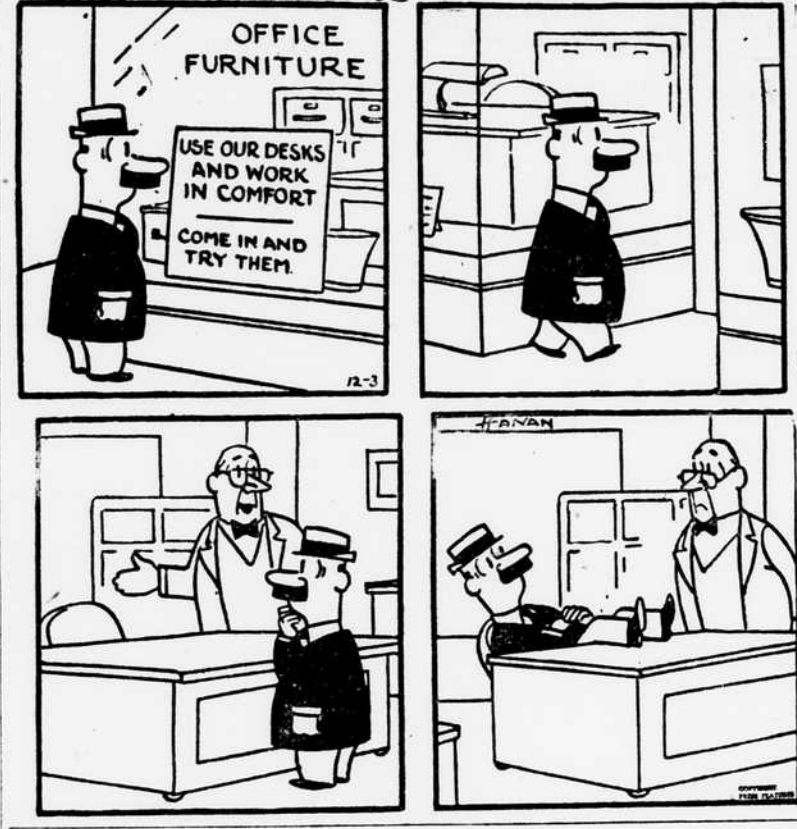
The appeal came in the form of a letter from the North Capitol Citizens' Association, read at last night's meeting of the Metropolitan View group in the Crosby Noyes School, Tenth and Franklin streets N.E. The letter declared that "every citizen has a stake" in the outcome of the covenant issue here and should be jealous in looking out for his best interests.

Mrs. Franklin G. Sartwell, president of the association, offered a successful motion commending Capt. Walter Storm of No. 12 precinct, who is to be transferred, and welcoming Capt. Benjamin Kuehling to the precinct. Sgt. John F. Ryan of police headquarters addressed the group.

Kimball PTA Plans Carnival

The Kimball PTA is sponsoring a carnival from 7 to 9:30 p.m. tomorrow for the benefit of the school.

LOUIE



On the Record

Partition of Palestine Fails to Settle Major Problems of New Jewish State

By Dorothy Thompson

It is exactly 50 years since the first Zionist congress was held in Basel, Switzerland. The year before, in 1896, a Viennese Jewish lawyer, Theodor Herzl—who had acquired a reputation as a literary critic—published a book called "The Jewish State."

In Herzl's time actions and reactions had led to a wave of anti-Semitism. The French revolution, which was cosmopolitan in its influence, had been followed in 1848 by nationalist and racist revolts. The Jewish people were being driven to the margins of the world.

In 1861 there had been a wave of anti-Semitism in many parts of Europe, and these led Herzl to his thesis: Either the Jews must completely assimilate by intermarriage, or they must assure their preservation by national reunion in a state of their own.

With a few notable exceptions (Israel Zangwill and Max Nordau), he failed to convince the leaders of Jewish thought. The majority of these, thoroughgoing Europeanized Semites, were believed anti-Semitic waves to be transitory, not symptoms of anything more profound. But Zionism, from the beginning, took hold of the Jewish masses, especially those of Eastern Europe, where the ghetto still prevailed. From Eastern Europe (Russia) was to come Herzl's most distinguished successor, Chaim Weizmann. Weizmann—naturalized in England and a professor at the University of Manchester, who looks like a Jewish prophet—was responsible for persuading the British, whom, as a chemist, he had greatly aided during World War I, to establish a national home for the Jews in Palestine under British protection. A mandate, for that purpose subsequently was confirmed by the League of Nations.

Two Schools of Thought.

There always were two schools (at least) of thought in the Zionist movement. The majority school hoped to see a Jewish state established under the protection of the leading powers. The minority school, whose original leading spirit was a man of remarkable energy named Jabotinsky, believed that all states were created through struggle and blood; that the Jewish state should rely on the power of its own sword and the fast accomplishment, at any great power decisions. Irgun, the fighting group in Palestine who, with the Stern gang, have been responsible for the Jewish state's survival, are spiritual descendants of Jabotinsky and his "revisionists."

But Adolf Hitler—who, like Herzl, came from Vienna—must be acknowledged as perhaps the most dynamic contributor to Zionism. Hitler's persecution of the Jews in Europe drove the hitherto assimilated Jew to the Zionist camp. Hitler disregarded assimilation by intermarriage or conversion, branding with the mark of the unassimilable any person with one Jewish grandparent. Jews who had played proud roles in European life were driven into exile or the gas chambers. Zionism became fanatical as it never had been, as hundreds of thousands became convinced there was no positive security for Jews except in a state of their own.

The Jewish state, as its frontiers have been drawn by the United Nations, is, indeed, a strange geographical formation. Neither Jewish nor Arab Palestine is a solid unit. There are Arab enclaves in Jewish Palestine (for instance, the port of Jaffa), and Jewish enclaves in Arab Palestine. Certain Jewish colonies on the northern end of the Dead Sea will find themselves in the Arab world. In the west, the Mediterranean forms a bridge and defense, but eastward a spit of Jewish Palestine lies between Arab Palestine and Arab Syria. Only the River Jordan separates an Arab enclave reaching almost to the sea from Arabian Transjordan, while in the southeast a strip of Jewish

—By Harry Hanan

McLemore—

Recalls Grabbing Share of War Booty

By Henry McLemore

The Air Forces feel badly about Gen. Meyer's and rightly so, but the other arms of the service had scraps abroad in World War II, too. I know, because I was one of them.

And while I'm about it, and in the best squealing tradition of Gen. Meyer, I'll implicate a couple of other infantrymen—John Tucker of Washington, D. C., and Ritt of Evanston, Ill. We didn't operate on Gen. Meyer's grandiose scale, but we did the best we could as we hopped with MacArthur from beautiful Ilo to beautiful Ilo. Ours was a simple little device and it had its stemming from the fact that we all three were newspapermen when the infantry beckoned a finger our way and told us that, all reports to the contrary, the M-1 was mightier than the pen.

Whenever we had a chance we posed as newspapermen and news cameramen, and our particular meat was the noncoms and officers in charge of supplies. The routine never varied. Tucker and I would equip ourselves with paper and pencils, and Ritt would manage to borrow a camera of some kind. Then out we would go to write and photograph the story of the forgotten men of the war—the men who handled the food and the clothing.

Always Same Approach.

We would arrive at a ration dump and ask for the officer in charge. We got all ranks—everything from Fort Benning wonders to regular bird colonels. Our approach was always the same. We would tell the officer that our newspapers wanted a story and picture of him. Tucker and I would take sheet after sheet of notes, and they all read like this:

"Capt. Edward T. Swarthmore, 33. Wife named Agnes. One child, named Joan. Went to Princeton. Came in on I-day. Braved enemy fire. Thinks Napoleon was right when he said, 'Army moves on stomach.'"

While we were taking notes of a story never to be published, Ritt would be posing the officer for pictures to be taken with a camera without film. I have seen Ritt, now editor or something important of the Evansville (Ind.) Press, pose an unsuspecting officer for half an hour, knowing all the while that he was doing was working on the poor soul's vanity in order that the three of us could leave the place with booty.

This sort of thing never failed. The officer could see his picture on the front page of all the newspapers, and with the picture a story of his devotion to country, his fearlessness, his love of his men, his dreams of his wife and family. So he always asked us if there was anything we needed.

The Key Question.

That was the key question—the thing we were shooting for. We would always tell him that yes, there were a few things we could use; things like socks, shoes, shirts, shorts, and almost everything else that Uncle Sam had sent us.

We would move in quickly. And the thing that differentiated us from Gen. Meyer's, and eased our consciences, was that we were stealing not only for ourselves, but

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